

## Message Text

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11

ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 CIAE-00 COME-00 DODE-00 DOTE-00

FMC-01 INR-07 NSAE-00 CG-00 COA-01 DLOS-03 L-02 IO-10

/038 W

----- 041376

R 252020Z FEB 75

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 7866

INFO AMCONSUL RIO DE JANEIRO

LIMITED OFFICIAL USE BRASILIA 1414

E.O.11652: N/A

TAGS: EWWT, BR

SUBJECT: PRUDENTIAL PROBLEM

REF: BRASILIA 1094

1. SUMMARY: FONOFF AIDE MEMOIRE WAS HANDED TO  
EMBASSY ON FEBRUARY 24 IN RESPONSE TO OUR AIDE MEMOIRE  
ON THE PRUDENTIAL PROBLEM. END SUMMARY.

2. FOLLOWING POINTS WERE MADE:

A) BILATERAL AGREEMENTS BETWEEN BRAZIL AND ARGENTINA,  
CHILE AND PERU FOLLOW THE FUNDAMENTAL PRINCIPLES OF  
BRAZILIAN MERCANTILE POLICY.

B) BRAZIL USES THE 40-40-20 FORMULA ADOPTED BY THE  
CODE OF CONDUCT FOR LINER CONFERENCES, EXCEPT FOR  
SHORT ROUTES OR ROUTES WITH SMALL AMOUNT OF CARGO.  
FOR THESE THE FORMULA IS 50-50.

C) PRIORITY GRANTED TO LAFTA COUNTRIES IS IN ACCORD  
WITH BRAZILIAN POLICY OF SUPPORTING LAFTA. HOWEVER,  
WAIVERS CAN BE GRANTED TO OTHER FLAG VESSELS BY SUNAMAM:

D) THE SERVICE PRESENTLY BEING PROVIDED BY LLOYD  
LIBRA BETWEEN BRAZIL AND ARGENTINA, CHILE AND PERU  
IS REGUALR AND SATISFACTORY. MESSRS. WENZELL AND WATERHOUSE  
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WERE IN AGREEMENT WITH THIS DURING THEIR RECENT VISIT.

E) TRAFFIC BETWEEN THE US PACIFIC COAST AND BRAZIL IS REGULATED BY A CONFERENCE, OF WHICH BOTH PRUDENTIAL AND LLOYD ARE MEMBERS.

F) PRUDENTIAL'S ROUND-THE-HORN ROUTE IS NOT A TYPICAL CARGO ROUTE, BUT RATHER A TOURIST PASSENGER SERVICE THAT ALSO CARRIES CONTAINER CARGO. THIS GIVES PRUDENTIAL A MARGINAL ADVANTAGE OVER ITS COMPETITORS, SINCE IT GRANTS THEM PRIORITY DOCKING PRIVILEGES.

G) THE TRANSPORT OF CARGO BY BRAZILIAN SHIPS AND FROM US PORTS AS WELL AS THIRD COUNTRY PORTS IS REGULATED BY LINER CONFERENCES. CONFERENCE REGULATION CANNOT PRESENTLY BE APPLIED TO THE PRUDENTIAL CASE.

H) THE BILATERAL AGREEMENTS PRESENTLY IN FORCE WITH ARGENTINA, CHILE AND PERU ARE WITHIN THE PERVIEW OF THE SIGNATORIES, AND ARE NOT OPEN TO QUESTION BY THIRD COUNTRIES.

3. ABOVE POINTS CONFIRM VIEWS TRANSMITTED ORALLY BY FONOFF REPRESENTATIVES TO MESSRS. WATERHOUSE AND WENZELL DURING THEIR RECENT VISIT, AND VIEWS EXPRESSED SUBSEQUENTLY BY FONOFF REPORTED IN REFTEL. EMBASSY WILL TRANSMIT FULL AIDE MEMOIRE VIA AIRGRAM.  
CRIMMINS

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MARINE CARGO, MARITIME LAW, AGREEMENTS, SHIPPING DOCUMENTS, STEAMSHIP LINES, NEGOTIATIONS, AIDE MEMOIRE  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 25 FEB 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975BRASIL01414  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750067-0013  
**From:** BRASILIA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750216/aaaaaobt.tel  
**Line Count:** 83  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 BRASILIA 1094  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 03 SEP 2003  
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EO Systematic Review  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PRUDENTIAL PROBLEM  
**TAGS:** EWWT, BR, US, PRUDENTIAL LINES  
**To:** STATE  
**Type:** TE  
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